

By: Huberty

H.B. No. 3951

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of persons to participate in an ad
valorem tax sale of real property; creating a criminal offense;
authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 34, Tax Code, is amended by
adding Section 34.011 to read as follows:

Sec. 34.011. PERSONS ELIGIBLE TO PURCHASE REAL PROPERTY.

(a) This section applies only to a sale of real property under
Section 34.01 conducted in:

(1) a county with a population of 250,000 or more; or

(2) a county with a population of less than 250,000 in
which the commissioners court by order has adopted the provisions
of this section.

(b) In this section:

(1) "Individual" does not include an individual acting
on behalf of a taxing unit.

(2) "Person" does not include a taxing unit or an
individual acting on behalf of a taxing unit.

(c) A county assessor-collector may require that, to be
eligible to bid at a sale of real property under Section 34.01, an
individual register as a bidder with the county assessor-collector
before the sale begins. The county assessor-collector may require
the individual:

1 (1) to provide valid proof of identification;

2 (2) to provide proof that the individual is authorized
3 to bid for another person, if the individual may submit a bid for
4 the other person at the sale; and

5 (3) to at least annually execute a statement on a form
6 provided by the county assessor-collector certifying that there are
7 no delinquent taxes owed to the county and no delinquent ad valorem
8 taxes owed to any taxing unit in the county by:

9 (A) the individual executing the certification;

10 (B) the person the individual may submit a bid
11 for at the sale, if applicable; and

12 (C) each entity at least 10 percent of the
13 ownership interest in which is owned by the person the individual
14 may submit a bid for at the sale, if applicable.

15 (d) The county assessor-collector shall issue a written
16 registration statement to an individual who registers as a bidder
17 under this section. An individual is ineligible to submit a bid at a
18 sale of real property under Section 34.01 unless the county
19 assessor-collector has issued a written registration statement to
20 the individual before the sale.

21 (e) A county assessor-collector may charge an individual
22 registering as a bidder under this section a fee not to exceed \$10
23 to cover the costs associated with issuing a registration
24 statement.

25 (f) An officer conducting a sale of real property under
26 Section 34.01 is not liable to any person if the officer sells real
27 property to an individual who has not complied with the

1 requirements of this section.

2 (g) An individual who knowingly violates this section
3 commits an offense. An offense under this section is a Class A
4 misdemeanor, except that the offense is a state jail felony if it is
5 shown on the trial of the offense that the individual has been
6 previously convicted of an offense under this section or under
7 former Section 34.015 as that provision existed on or before
8 December 31, 2015. It is a defense to prosecution under this
9 section that each delinquent tax described by Subsection (c)(3) is
10 paid not later than the 30th day after the date the county
11 assessor-collector mails written notification to the individual
12 that taxes included in a statement executed under that subdivision
13 are delinquent.

14 SECTION 2. Sections 34.0445(a), (c), and (e), Civil
15 Practice and Remedies Code, are amended to read as follows:

16 (a) An officer conducting a sale of real property under this
17 subchapter may not execute or deliver a deed to the purchaser of the
18 property unless the purchaser or the individual submitting the
19 successful bid for the purchaser exhibits to the officer an
20 unexpired written registration statement issued to the person in
21 the manner prescribed by Section 34.011 [34.015], Tax Code[
22 ~~showing that the county assessor-collector of the county in which~~
23 ~~the sale is conducted has determined that:~~

24 ~~[(1) there are no delinquent ad valorem taxes owed by~~
25 ~~the person to that county; and~~

26 ~~[(2) for each school district or municipality having~~
27 ~~territory in the county there are no known or reported delinquent ad~~

1 ~~valorem taxes owed by the person to that school district or~~
2 ~~municipality].~~

3 (c) The deed executed by the officer conducting the sale
4 must name the purchaser ~~[successful bidder]~~ as the grantee and
5 recite that the purchaser or the individual submitting the
6 successful bid for the purchaser ~~[successful bidder]~~ exhibited to
7 that officer an unexpired written registration statement issued to
8 the person in the manner prescribed by Section 34.011 ~~[34.015]~~, Tax
9 Code~~[, showing that the county assessor-collector of the county in~~
10 ~~which the sale was conducted determined that:~~

11 ~~[(1) there are no delinquent ad valorem taxes owed by~~
12 ~~the person to that county; and~~

13 ~~[(2) for each school district or municipality having~~
14 ~~territory in the county there are no known or reported delinquent ad~~
15 ~~valorem taxes owed by the person to that school district or~~
16 ~~municipality].~~

17 (e) A person who knowingly violates this section commits an
18 offense. An offense under this section ~~[subsection]~~ is a Class A
19 ~~[B] misdemeanor~~, except that the offense is a state jail felony if
20 it is shown on the trial of the offense that the individual has been
21 previously convicted of an offense under this section.

22 SECTION 3. The following provisions are repealed:

23 (1) Section 34.0445(b), Civil Practice and Remedies
24 Code; and

25 (2) Section 34.015, Tax Code.

26 SECTION 4. The changes in law made by this Act apply only to
27 the sale of real property under Subchapter C, Chapter 34, Civil

1 Practice and Remedies Code, or Section 34.01, Tax Code, on or after
2 the effective date of this Act.

3 SECTION 5. (a) The change in law made by this Act to Section
4 34.0445(e), Civil Practice and Remedies Code, applies only to an
5 offense committed on or after the effective date of this Act. An
6 offense committed before the effective date of this Act is governed
7 by the law in effect on the date the offense was committed, and the
8 former law is continued in effect for that purpose. For purposes of
9 this section, an offense was committed before the effective date of
10 this Act if any element of the offense occurred before that date.

11 (b) The repeal by this Act of Section 34.015, Tax Code, does
12 not apply to an offense committed under that section before the
13 effective date of the repeal. An offense committed before the
14 effective date of the repeal is governed by Section 34.015, Tax
15 Code, as it existed on the date the offense was committed, and the
16 former law is continued in effect for that purpose. For purposes of
17 this section, an offense was committed before the effective date of
18 the repeal if any element of the offense occurred before that date.

19 SECTION 6. This Act takes effect January 1, 2016.